

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
July 2010**

Date: September 3, 2010

To: All Civil Service/Exempt Departments

From: State Controller's Office
Cindy Rounds, Manager
Debra Spellman, Manager
Personnel/Payroll Operations
(916) 324-6290/323-2539

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the July 08, 2010 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the **September 09, 2010** meeting.

We would like to thank those department representatives that participated in the July meeting for their time and effort. There were 27 representatives from 17 departments that participated in this meeting.

Personnel/Payroll Review Committee
July 2010 Meeting Notes

Cindy Rounds called the meeting to order at 1:30.

Departments Represented:

Board of Equalization, California Highway Patrol, CalPERS, CalSTRS, Department of Personnel Administration, Developmental Services, Food and Agriculture, Franchise Tax Board, Health Care Services, Industrial Relations, Justice, Legislative Counsel Bureau, Mental Health, Secretary of State, State Controller's Office, Office of Statewide Health Planning, and Water Resources.

Old Business:

None.

New Business:

Agenda Items
Distribute Handout Materials

Approve Prior Meeting Notes
Guest Speakers
SCO Update

Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved May 2010 meeting notes.

Guest Speakers:

Heather Ellis /SCO TFC Project

Twenty First Century project has released the go live dates for My Cal Pays. They are as follows: Pilot One, Pilot Two will be October 2011; Wave Three January 2012, Wave Four July 2012, and Wave Five October 2012.

We conducted our first DST sponsor and coordinator kick off sessions back on May 24th at our project site. If your department has not assigned a DST sponsor or coordinator you can email that to us at deployment@sco.ca.gov. On our Twenty First Century website we have listed the department deployment order list; the rules and responsibilities of the DST teams along with the presentation that was given. This week we held two virtual chats. These will be emailed to all the coordinators, along with a link to the power point presentation and the handouts that were provided during the presentation. We also asked departments to create a generic email using the following: DST your department acronym at your department. For example; SCO would be dstsco@sco.ca.gov. The email addresses are a part of being able to grant access to the SharePoint Tool for departments. We expect the DST coordinators to begin using this tool starting in August. The virtual chats will be held the first Tuesday and Thursday of each month. Our next two virtual chats will be held August third and August fifth. In August we will be having our department readiness assessment survey. Information will be coming out about this in July. If your department is an H.R. contract provider you are expected to complete deployment activities and surveys for those departments that you provide these services to. If you have any questions you can call Kathy James at (916) 376-1988 or Heather Ellis at (916) 373-8828.

Allan Fong/ DPA Saving Plus

Savings Plus has listed a few things regarding if the minimum wage order goes into effect. If your employees are deferring into 401 or 457 accounts, these will not come out. If employees have a loan with Savings Plus or borrowed money against these accounts, the loan repayment will not come out until full pay is restored. We have posted the most common questions and answers on our website concerning minimum wage. Lump Sum training classes have stopped, they will resume again in September. We have two classes available; they are for October and November. You can sign up for these on the DPA website under the human resource tab.

Cindy Rounds (for Debra Spellman)
SCO/ PPSD Manager

We are currently nine days on all separations. We are not receiving a lot of separations with deferred compensation. We are hoping to reduce the nine day back log down by the end of the week. We are currently sixteen days backlogged for 674's and employment history messages.

From the stipulation desk:

In many instances agencies are not correctly calculating a punitive action transaction for a stipulated settlement. Multiplying the base pay by 10% (or whatever the PUN % is) and then subtracting that amount does not result in the correct calculation. Instead, you should divide the base pay by 1.10 (for a 10% salary reduction) to determine the correct PUN salary. We are seeing this on PUN fixes per stipulated agreement, and the result is extra processing time by SCO that would not be necessary had the calculations been correct initially.

From the garnishment desk:

We return documents for corrections on a PR250 indicating everything that should be corrected or completed. The problem we are having is that agencies are returning a lot of documents without making all or any of the corrections that we indicated on the PR250 (and they are writing "correction made" on a lot of them). We are sending second and sometimes third notices with the same instruction on what needs to be corrected or completed. Please read the PR250 completely, and if you are not sure what is being requested then contact us for clarification

Cindy Rounds SCO/ PPSD Manager

I have been getting a lot of calls regarding when *Schedule Eight* will be ready. They are going to run *Schedule Eight* tomorrow night so you probably will be getting calls to pick them up around July 18th, or July 19th 2010.

The final abolished vacant report just went out. It was mailed last week with a letter, if for some reason you didn't get the letter we will email or fax you a copy. The letter gives you instructions for government code 12439, how to self certify any positions that you need to add back. Section "C" of this letter lists the six items that allow you to add the positions back. If there are any technical errors bring those to our attention. A lot of times technical errors are simply a transfer of funds that didn't happen in June. Transfer of funds is a low priority for us as far as processing our work. Let us know once a transfer happens in July, we will save the position for you and add it back. Also, if there is lump sum issued out of a position and you didn't tell us ahead of time, we can take care of this for you. Lump sum won't save the position. You have until August 16th this year to get 607's to us to add positions back or to tell us of a discrepancy you believe is a system error, rather than an error at your department. August 17th thru September 10th all 607's regardless of the cause of the discrepancy must go to Department of Finance for approval. After approval by Department of Finance the documents must be back to us no later than September 20th. We need to get them processed and added to our final vacant report that is run September 30th 2010 and goes to legislature.

Currently the report has 11,279 positions. A lot of work goes into preparing and making sure that the final vacant report is accurate.

We really don't have anything to share on minimum wage other than it is still in litigation. Some interesting questions have come up regarding various scenarios such as; the law says that if you get paid overtime then you must also receive your full pay; or if you get paid monthly then your full pay is your full monthly paycheck. These are situations we will have to address if we are mandated to issue minimum wage.

Question:

Is it true that Golden One stated that if you were a member as of June 30 they would offer zero percent interest loans, for non members it would be a loan with 4.99 percent interest?

Answer:

I have talked with the Golden One and this is the criteria under which they want to offer the 4.99 percent interest loan. The employee has to be direct deposit and Golden One wants to be able give us the direct deposit forms directly. However, this will not work. The forms have to go to the personnel offices for approval and signatures. We cannot accept forms directly from financial institutions. If our office receives these forms we forward them on to the employee's personnel department. If for some reason we cannot verify the department we will return it to the financial institution. I understand that DPA has related information on their web site.

Question:

Is there any other way to enroll an employee into direct deposit other than a 699 form?

Answer:

No, that is the only way to enroll your employees in Direct Deposit.

Question:

What happens to the health benefits for employees that receive no pay at all?

Answer:

DPA has contract agreements with health insurance companies to provide benefits for ninety days.

Question:

What will come out of minimum wage checks?

Answer:

The mandatory deductions will come out. We have no other specific information to pass on at this time regarding other deductions.

Question:

When will the furloughs be removed?

Answer:

Our office is running a mass update tonight to remove them. We have about one thousand documents that we will have to manually key because departments have

keyed transactions to these records and this caused a fallout workload. We will have these keyed by master cut off. If for some reason you see a record with a furlough on it after the mass update then please leave it. This is one of the fallout records that we will manually process.

Question:

Are we going to get a salary reduction that the Governor mentioned on the news?

Answer:

Salaries are negotiated through the unions and the state, they have to be ratified and passed as bills through the legislative process. Today there are six unions that have verbal agreements but they have not yet been ratified. Six more unions are in contract negotiations.

Question:

If an employee is receiving minimum wage and separates what happens to his pay?

Answer:

We have seventy two hours under AB2410 to issue all pay due at the full salary. This includes regular pay.

Question:

If an employee separates June 30th are they entitled to the Personal Holiday?

Answer:

No, unless they have lump sum that extends into July. They would be entitled to it in that situation.

Question:

When employees receive corrected W2's while on IDL, are these for information only or should they take these to their tax professionals?

Answer:

A corrected W2 can be issued for many reasons. In some cases these may be informational only. However, for an employee on IDL who has retroactive adjustments moving taxable income to non taxable income, it would be important for the employee to seek advice from a tax professional, the Internal Revenue Service and/or the Franchise Tax Board.

Question:

I have an employee who changed his address to overseas. His address changed to an India address but the EAR screen won't let me key in the country. We are having the W2 sent to our office and then going to forward it to the employee. Do you have any suggestion on this?

Answer:

I will talk to Donna Collins about this as well as Nancy Jang. Let me have your phone number, I will get back to you on this question.

Next Meeting:

The next meeting is Thursday, **September 09, 2010** from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cindy Rounds or Debra Spellman with pertinent information.

Listed below are the PPRC meeting dates for the 2010 calendar year. All meetings are from 1:30 to 3:00 at the above location.

Please note: All meetings for 2010 will be the second Thursday of the specific month with the exception of November 2010 due to the Veteran's Day holiday.

September 09, 2010
November 04, 2010

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cindy Rounds at (916) 324-6290 or Debra Spellman at (916) 323-2539. They can also be reached via email at crounds@sco.ca.gov and dspellman@sco.ca.gov, respectively.